



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
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Benefits of Third Party Vaccine Distribution

The National Immunization Program Vaccine Management Business Improvement Project (VMBIP) includes plans to centralize vaccine distribution nationally to improve efficiency, capture economies of scale, and save on program costs. This change in vaccine distribution for the childhood vaccine program will begin in the fall of 2006. Use of the centralized distribution model will benefit providers, local public health, state Departments of Health, and the National Immunization Program. The expected benefits from centralized vaccine distribution are depicted below.

Providers

- ▶ Decreases resources required for providers who currently pick up vaccines
- ▶ Maintains the provider / local health relationship for vaccine and immunization information, quality assurance, training and support
- ▶ Improves the consistency and reliability of the vaccine supply by decreasing steps in the handling process
- ▶ Decreases vaccine shortage situations by giving CDC the flexibility of adjusting inventory at the national level and creating more equitable access across the nation

Local Public Health and State Department of Health

- ▶ Eliminates time and resources spent picking, packing, and shipping vaccines
 - Resources can be redirected to other immunization activities
 - Increases time for quality assurance activities and provider education
 - Increases time for building provider relationships
- ▶ Decreases the risk of loss associated with power outages at state and local vaccine depots
- ▶ Removes the need for large emergency back-up storage facilities for state and local depots
- ▶ Removes liability for vaccine loss during storage or shipping of state and local health depot inventory
- ▶ Reduces time and effort spent managing funds and resolving funding delays

National Immunization Program

- ▶ Simplifies many national fund and inventory management processes
- ▶ Fewer funding "emergencies" by basing vaccine funding on actual provider vaccine use
- ▶ Increases ability to manage crises such as outbreaks or supply disruptions
- ▶ Fewer vaccine inventory locations nationally improves flexibility and inventory visibility
- ▶ Savings due to less vaccine inventory and economies of scale
 - National inventory reduction from 14.3 months to 13 months, an immediate \$150 million savings
 - Estimated national annual savings of \$25 – \$47 million (\$4 – \$10 million from distribution costs)
- ▶ Lower system-wide costs enable funding of other immunization priorities



*Developed in Partnership between the Washington State Department of Health
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